Financial Statement
1999-2000

North West
Regional College

101-02014/

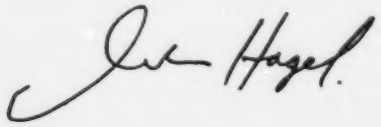
Letter of Transmittal

The Honourable Dr. Lynda M Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the North West Regional College for the year ending June 30, 2000.

Respectfully submitted,



Glenn Hagel
Minister of Post-Secondary Education and Skills Training

NORTH WEST REGIONAL COLLEGE

AUDITORS' REPORT AND FINANCIAL STATEMENTS

June 30, 2000

DOWNIE JOHNSON SVENKESON
Chartered Accountants

R. G. Downie, CA
R.W. Johnson, FCA
B. W. Svenkeson, CA

1321 - 101st Street
North Battleford, Saskatchewan
S9A 0Z9
Telephone: (306) 445-6291
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November 3, 2000
File No. 3534

North West Regional College
10702 Diefenbaker Drive
North Battleford, Saskatchewan
S9A 4A8

Attention: Brian Nylander, President

Dear Sir:

We have recently completed our annual audit of North West Regional College for the year ended June 30, 2000.

We are pleased to advise that we do not have any items of a managerial or legislative compliance nature to report to yourself and the board.

Yours truly,

Robert W. Johnson, FCA
Partner

/ho

CA

NORTH WEST REGIONAL COLLEGE

Statement of Management Responsibility

The College is responsible for the preparation of the financial statements and has prepared them in accordance with generally accepted accounting principles and in accordance with the guidelines developed by Saskatchewan Post-Secondary Education and Skills Training. The College believes the financial statements present fairly the College's financial position as at June 30, 2000 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the College has developed and maintains a system of internal control designed to provide reasonable assurance that College assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Directors carries out its responsibility for the review of the financial statements principally through the Finance Committee. The Finance Committee meets with management and with the external auditors to discuss the results of the audit examinations and financial reporting matters. The external auditors have full access to the Finance Committee with and without the presence of management.

The financial statements for the year ended June 30, 2000 have been reported on by Downie Johnson Svenkeson, Chartered Accountants. The Auditors' Report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the financial statements.

President

Director of Administration

DOWNIE JOHNSON SVENKESON
Chartered Accountants

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AUDITORS' REPORT

To the Board of Governors
North West Regional College

We have audited the statement of financial position of North West Regional College as at June 30, 2000 and the statements of operations, changes in fund balances and cash flows for the year then ended. The College is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2000 and the results of its operations and the cash flows for the year then ended in accordance with generally accepted accounting principles.

Downie Johnson Svenkeson

North Battleford, Saskatchewan
September 8, 2000.

Chartered Accountants.

NORTH WEST REGIONAL COLLEGE

Statement of Financial Position

June 30, 2000

	2000				1999
	Operating Fund	Capital Fund	Scholarship Fund	Total	Total
Assets					
Current assets					
Cash	$ 199,680	$ 296,634	$ 16,840	$ 513,154	$ 700,482
Accounts receivable (Note 3)	545,524		77	545,601	688,169
Inventory	7,501			7,501	9,479
Prepaid expenses	7,330			7,330	5,143
	760,035	296,634	16,917	1,073,586	1,403,273
Capital assets (Note 4)		1,331,628		1,331,628	996,339
	$ 760,035	$ 1,628,262	$ 16,917	$ 2,405,214	$ 2,399,612
Liabilities and fund balances					
Current liabilities					
Accounts payable (Note 5)	$ 123,975			$ 123,975	$ 383,709
Accrued liabilities	63,731			63,731	75,867
Accrued holiday pay (Note 6)	107,087			107,087	105,367
Deferred income (Note 7)	211,053			211,053	285,691
	505,846			505,846	850,634
Fund balances					
Invested in capital assets		$ 1,331,628		1,331,628	996,339
Internally restricted reserves (Schedule 4)	254,189	296,634	$ 16,917	567,740	552,639
	254,189	1,628,262	16,917	1,899,368	1,548,978
	$ 760,035	$ 1,628,262	$ 16,917	$ 2,405,214	$ 2,399,612

Approved by the Board of Governors:

Sherman Krakenbil — Chairperson

Robert Wehrheim — Vice-Chairperson

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE

Statement of Operations

for the year ended June 30, 2000

	Operations			Capital		Scholarship		Total	
	Budget (Note 11)	2000	1999	2000	1999	2000	1999	2000	1999
Revenue (Schedule 1)									
Post-Secondary Education and Skills Training	$ 3,336,692	$ 3,581,716	$ 3,269,711	$ 253,642	$ 201,676			$ 3,835,358	$ 3,471,387
Federal Government		18,277	494,235					18,277	494,235
Other	1,174,663	1,106,183	1,007,261			$ 2,287	$ 148	1,108,470	1,007,409
	4,511,355	4,706,176	4,771,207	253,642	201,676	2,287	148	4,962,105	4,973,031
General operating expenditures (Schedule 2)									
Contractual and professional services	856,516	820,055	819,188					820,055	819,188
Rentals	213,938	232,085	218,296					232,085	218,296
Repairs and maintenance	7,065	16,780	17,868					16,780	17,868
Operating (Schedule 3)	825,728	669,168	719,356					669,168	719,356
Personal services	2,736,289	2,725,902	2,919,070					2,725,902	2,919,070
Scholarship						800		800	
Amortization				146,925	78,365			146,925	78,365
	4,639,536	4,463,990	4,693,778	146,925	78,365	800		4,611,715	4,772,143
Excess (deficiency) of revenue over expenditures	$ (128,181)	$ 242,186	$ 77,429	$ 106,717	$ 123,311	$ 1,487	$ 148	$ 350,390	$ 200,888

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Statement of Changes in Fund Balances
for the year ended June 30, 2000

	2000					1999
	Operating Fund					
	Internally Restricted Reserves	Unrestricted	Capital Fund (Note 8)	Scholarship Fund	Total	Total
Fund balance at beginning of year	$ 134,722		$ 1,398,826	$ 15,430	$ 1,548,978	$ 1,349,159
Excess of revenue over expenditures		$ 242,186	106,717	1,487	350,390	200,888
Write down of capital assets						(1,069)
Inter fund transfers	119,467	(242,186)	122,719			
Fund balance at end of year	$ 254,189	$ NIL	$ 1,628,262	$ 16,917	$ 1,899,368	$ 1,548,978

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Statement of Cash Flows
for the year ended June 30, 2000

	2000	1999
Cash from operating activities		
Excess of revenue over expenditures	$ 350,390	$ 200,888
Add (deduct) items not involving current cash flow:		
Amortization	146,925	78,365
Write down of capital assets		(1,069)
	497,315	278,184
Net change in non-cash working capital balances related to operations	(202,429)	322,173
	294,886	600,357
Investment activities		
Purchase of capital assets	(482,214)	(972,306)
Net cash used in year	(187,328)	(371,949)
Cash and cash equivalents at beginning of year	700,482	1,072,431
Cash and cash equivalents at end of year	$ 513,154	$ 700,482

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with financial institutions.

Cash and cash equivalents included in the cash flow statement comprised the following balance sheet amounts:

Cash	$ 513,154	$ 700,482

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

1. Purpose and authority

The North West Regional College offers educational services and programs under the authority of Section 14 of the *The Regional Colleges Act*. North West Regional College was established in 1975 as Mistikwa Community College. On January 1, 1988 *The Regional Colleges Act* was proclaimed, and the College was renamed North West Regional College to reflect its new mandate and extended boundaries. The mission of North West Regional College is to provide adult learning opportunities and to promote life-long learning as a means of enhansing the cultural, economic and social life of the individuals and communities it serves.

The Board of the North West Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of the *The Regional Colleges Act* and its regulations.

2. Significant accounting policies

These financial statements have been prepared in accordance with generally accepted accounting principals, and include the following significant accounting policies contained in the Regional Colleges' Accounting and Reporting Manual:

a) Fund accounting

A fund is a separate set of accounts provided for each accounting entity established within the accounting system to segregate the transactions of the particular activity. The funds are:

i) Operating fund

This fund contains the current revenue, expenditures, and liabilities pertaining to the general activities of the College.

ii) Capital fund

This fund contains the capital assets of the College and equity in the capital assets, net of the annual amortization expense. Included in the capital fund are the appropriations for future capital expenditures.

iii) Scholarship fund

This fund was established to include donations received by the College for purposes of awarding scholarships to students of the College.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

2. **Significant accounting policies** (Continued)

b) **Revenue recognition**

The College follows the restricted fund method of accounting for grants. Restricted transfers related to general operations are recognized as revenue of the operating fund in the year in which the related expenses are incurred. Transfers restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating transfers are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course of instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

c) **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is charged on a straight-line basis over the estimated useful lives of the assets at the following rates, and is reported as an expense in the capital fund:

Buildings	2.5% to 4%
Furniture and equipment	10% to 33%

d) **Inventories**

Inventories are valued at lower of cost or net realizable value.

3. **Accounts receivable**

Accounts receivable are composed of the following:

	2000	1999
Federal government	$ 7,446	$ 47,432
Post-Secondary Education and Skills Training	352,047	575,546
SIAST	53,191	28,203
Other	132,917	36,988
	$ 545,601	$ 688,169

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

4. Capital assets

Capital assets consist of:

	Cost	2000 Accumulated Amortization	2000 Net Book Value	1999 Net Book Value
Buildings	$ 1,281,227	$ 64,061	$ 1,217,166	$ 914,036
Furniture and equipment	850,164	735,702	114,462	82,303
	$ 2,131,391	$ 799,763	$ 1,331,628	$ 996,339

In 1998, North West Regional College and North Battleford School Division No. 118 entered into a Capital Cost Sharing Agreement to participate in a joint capital project at the North Battleford Comprehensive High School. As part of phase 1 renovations undertaken in 1999, the college space enjoyed an addition and major renovations to accommodate the college's Battlefords Campus and main administrative offices.

An independent asset appraisal undertaken by Battlefords School Division and conducted in April, 2000 determined the depreciated value, based on the college's 15.5% share of the facility, is $4,209,452.

Title to the lands and buildings are held in the name of the School Division, with the College's 15.5% proportionate share held in trust.

5. Accounts payable

	2000	1999
Trade	$ 70,421	$ 331,286
Wages	53,554	52,423
	$ 123,975	$ 383,709

6. Accrued holiday pay

	2000	1999
Accrued holiday pay at beginning of year	$ 105,367	$ 68,241
Net adjustment, current year	1,720	37,126
Accrued holiday pay at end of year	$ 107,087	$ 105,367

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

7. Deferred income

Deferred income consists of:

	2000	1999
Post-Secondary Education and Skills Training	$ 158,854	$ 254,561
Federal government	7,277	26,709
Other	44,922	4,421
	$ 211,053	$ 285,691

8. Internally restricted - capital fund

The internally restricted fund balance in the capital fund consists of the following:

	2000	1999
Balance at beginning of year	$ 402,487	$ 757,329
Add: Transfer from operating fund	123,149	112,858
Transfer from internally restricted fund balance to investment in capital assets	(229,002)	(467,700)
Balance at end of year	$ 296,634	$ 402,487

9. Related party transactions

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

In addition, the College pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Expenses for related party transactions during the year were as follows:

	2000	1999
Sask Power	$ 14,761	$ 22,454
Sask Tel	52,628	52,739
Saskatchewan Property Management Corp.	37,137	44,132

The College provided courses in conjunction with the Saskatchewan Institute of Applied Science and Technology (SIAST). During the year the College expended $441,840 (1999, $419,125) for courses provided by SIAST. As at year end, there was no payable to SIAST (1999, $NIL).

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

9. Related party transactions (Continued)

During the year, the College provided courses in conjunction with the Universities of Saskatchewan and Regina. Transactions during the year were as follows:

	2000	1999
University of Saskatchewan		
Revenue	$ 63,602	$ 67,620
Expenses	114,085	86,807
University of Regina		
Revenue	$ 11,890	$ 12,687
Expenses	21,830	16,077

During the year the College entered into a contract with the Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $ 99,000 during the year from SCN for these programs (1999, $99,000).

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and the notes thereto.

10. Pensions

Employees of the College participate in one of the three pension plans. Teacher's and other employees holding a teaching certificate participate in a defined benefit plan; either the Teacher's Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. The General Revenue Fund is responsible for the required employer contribution of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined plan. The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $90,208. (1999, $96,195).

11. Budget

The budgeted figures reported in the Statement of Operations are obtained from the annual budget approved by the board and included in the annual budget review document submitted to and approved by the Department of Post-Secondary Education and Skills Training. The budget was approved by the Regional College Board on May 10, 1999 and by the Minister of Saskatchewan Post-Secondary Education and Skills Training on May 9, 2000.

NORTH WEST REGIONAL COLLEGE
Notes to Financial Statements
June 30, 2000

12. Financial instruments

There are no significant terms and conditions related to financial instruments classified as current assets or current liabilities that may affect the amount, timing and certaintly of future cash flows.

The majority of the College's receivables are from Post-Secondary Education and Skills Training. Therefore the credit risk is minimal.

The carrying amount of accounts receivable, accounts payable, accrued liabilities and accrued holiday pay approximate fair market value due to their immediate or short-term nature.

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Revenue by Function
for the year ended June 30, 2000

Schedule 1

	2000								1999
	General Administration	Programing				Support Services			
	General Revenue	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Post-Secondary Education and Skills Training									
Administrative recovery	$ 17,650	$ 9,479						$ 27,129	$ 70,619
Flat grant	966,599							966,599	824,029
Program payments	321,906	166,914	$ 914,551	$ 551,863	$ 132,657	$ 92,880		2,180,771	1,835,909
Other	132,058		46,141	197,594		31,424		407,217	539,154
	1,438,213	176,393	960,692	749,457	132,657	124,304		3,581,716	3,269,711
Federal government									
Program payments	7,277		11,000					18,277	494,235
Other									
Contracts	151,881	18,928	210,763	9,553	35,118			426,243	370,920
Interest and dividends	63,843							63,843	81,978
Rents	302	2,939						3,241	764
Resale items		13,986	1,594	3,310			79,955	98,845	86,463
Tuition fees		106,721	3,960	237,557	73,607	300		422,145	400,186
Other	74,254	5,303		9,373	2,936			91,866	66,950
	290,280	147,877	216,317	259,793	111,661	300	79,955	1,106,183	1,007,261
Total revenue	1,735,770	324,270	1,188,009	1,009,250	244,318	124,604	79,955	4,706,176	4,771,207
Total expenses (Schedule 2)	1,711,311	326,514	1,040,479	836,247	187,009	283,168	79,262	4,463,990	4,693,778
Excess (deficiency) of revenue over expenditures	$ 24,459	$ (2,244)	$ 147,530	$ 173,003	$ 57,309	$ (158,564)	$ 693	$ 242,186	$ 77,429

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Expenditures by Function
for the year ended June 30, 2000

Schedule 2

	2000									1999
	General Administration			Programing				Support Services		
	Board	Administrative	Organizational	Community Individual Development	Adult Basic Education	Vocational Technical	University	Career Services	Student Services	Total	Total
Contractual and professional		$ 60,224	$ 31,946	$ 181,916	$ 32,348	$ 386,652	$ 95,373	$ 31,596		$ 820,055	$ 819,188
Rentals		3,436	11,544	12,632	81,667	81,447	21,772	19,587		232,085	218,296
Repairs and maintenance		2,878	3,595	1,160	265	68	4,418	4,354	$ 42	16,780	17,868
Operating expenses (Schedule 3)	$ 46,504	94,444	121,014	59,579	81,493	90,148	41,054	55,712	79,220	669,168	719,356
Personal services	20,795	580,621	734,310	71,227	844,706	277,932	24,392	171,919		2,725,902	2,919,070
	$ 67,299	$ 741,603	$ 902,409	$ 326,514	$ 1,040,479	$ 836,247	$ 187,009	$ 283,168	$ 79,262	$ 4,463,990	$ 4,693,778

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Operating Fund
Schedule of Operating Expenses
for the year ended June 30, 2000

Schedule 3

	2000	1999
Advertising	$ 46,579	$ 51,277
Association fees and dues	9,916	9,372
Bad debts	1,097	593
Bank charges and interest	1,831	1,294
Computer software	10,799	16,999
Equipment	56,534	36,426
Goods and services tax	51,770	46,534
In-service training	41,160	50,190
Insurance	9,801	7,941
Licenses and taxes	(1,087)	10,380
Materials and supplies	63,686	76,645
Postage, freight and courier	16,454	19,494
Printing and duplicating	35,918	47,948
Resale items	93,351	85,839
Subscriptions	2,158	1,698
Telephone	50,265	58,113
Training allowances		(2,144)
Travel	123,775	121,902
Utilities	16,678	24,643
Other	38,483	54,212
	$ 669,168	$ 719,356

See Accompanying Notes

NORTH WEST REGIONAL COLLEGE
Schedule of Reserve Transactions
June 30, 2000

Schedule 4

	Balance Beginning of Year	Appropriation to Reserve	Appropriation from Reserve	Balance End of Year
Internally Restricted				
OPERATING FUND - Internally Restricted				
Reserve for administrative computer system	$ 59,266		$ (18,292)	$ 40,974
Reserve for class plan	12,850	$ 33,150		46,000
Reserve for TEL		25,000		25,000
Reserve for joint-use relocation	20,000		(20,000)	-
Reserve for programs		117,609		117,609
Reserve for enrollment management	14,400			14,400
Reserve for severance	6,150			6,150
Reserve for contingencies	22,056		(18,000)	4,056
Total operating fund	$ 134,722	$ 175,759	$ (56,292)	$ 254,189
CAPITAL FUND				
Reserve for Meadow Lake	$ 61,687			$ 61,687
Reserve for Y2K fixes	4,000		$ (4,000)	-
Reserve for additional computer lab	40,000			40,000
Upgrade computer equipment	88,060	$ 61,641	(73,112)	76,589
Reserve for F/E Replacement - general	56,850	11,508		68,358
Reserve for F/E Replacement - telephone				-
Reserve for F/E Replacement - joint -use	50,000		(50,000)	-
Reserve for F/E Replacement - F and E				
Reserve for F/E Replacement - building				
Reserve for N. B. campus project	101,890	50,000	(101,890)	50,000
Total capital fund	$ 402,487	$ 123,149	$ (229,002)	$ 296,634

See Accompanying Notes

North West Regional College

LIST OF PAYMENTS GREATER THAN $20,000 FOR 1999-2000

Beaver, Pam	$34,899
Bralin Computer Service	86,461
Bee-J's Stationers	28,528
Denluck, Ben	70,201
Cooperators	85,626
Trade West Equipment Ltd.	59,312
LaClare, Larry	78,197
Vercom Systems	25,822
SDC Development Corporation	33,104
Waterhen Lake First Nation	20,699
Municipal Employees Superannuation	181,264
North Battleford School Division No.103	753,056
Nylander, Bryan	92,016
Receiver General	811,146
Pelican Lake First Nation	49,900
Sask Tel	52,628
Saskatchewan Government Employees Union	52,977
Saskatchewan Property Management Corp	37,137
SIAST - Kelsey Campus	62,716
SIAST - Palliser Campus	363,655
SIAST - Wascana	32,409
SIAST-Woodlands Campus	83,060
Steiert, Patt	72,722
Teacher's Superannuation Fund	34,198
RMIS Roof Management & Inspection	22,493
University of Saskatchewan Business Office	50,484
Total Payments made to In-Scope Employees	1,083,939
Other	878,918
Total Payments	$5,237,568